All Hands Meeting

April 27, 2005

BMMP Program Realignment

"Transform business operations to achieve improved warfighter support while enabling financial accountability across DoD." *- BMMP Mission statement*

BMMP Realignment Principles

- DoD Business Enterprise Clarity
- Tiered Accountability
- Horizontal Business Transformation Focus
- Business Alignment to Warfighter Needs
- Capabilities, not Systems, as Deliverables
- Clean Audit as Affirmation of Clean Processes
- Program Management Discipline

BMMP Realignment Impact

- To date, BMMP has focused on "discovery" and "architecture":
  - Developed an understanding of DoD's "As Is" systems environment
  - Developed a Business Enterprise Architecture to guide future systems development/investment in accordance with established standards

- Internal assessment of program risks and response to GAO criticism led to realignment of BMMP in '05:

Program Risks*	Major DoD Corrective Action as Part of BMMP Realignment
Weak Governance	Established Defense Business Systems Mgt Committee chaired by DepSecDef
System Transition Plan	Interim plan developed, final plan to be delivered in September '05
Poor Investment Control	Review Boards established to review all systems investments >$1 million
Program Mgt Discipline	Program mgt. moved to AT&L, acquisition program baseline established

*Broad weakness categories as identified by GAO and/or by internal DoD review
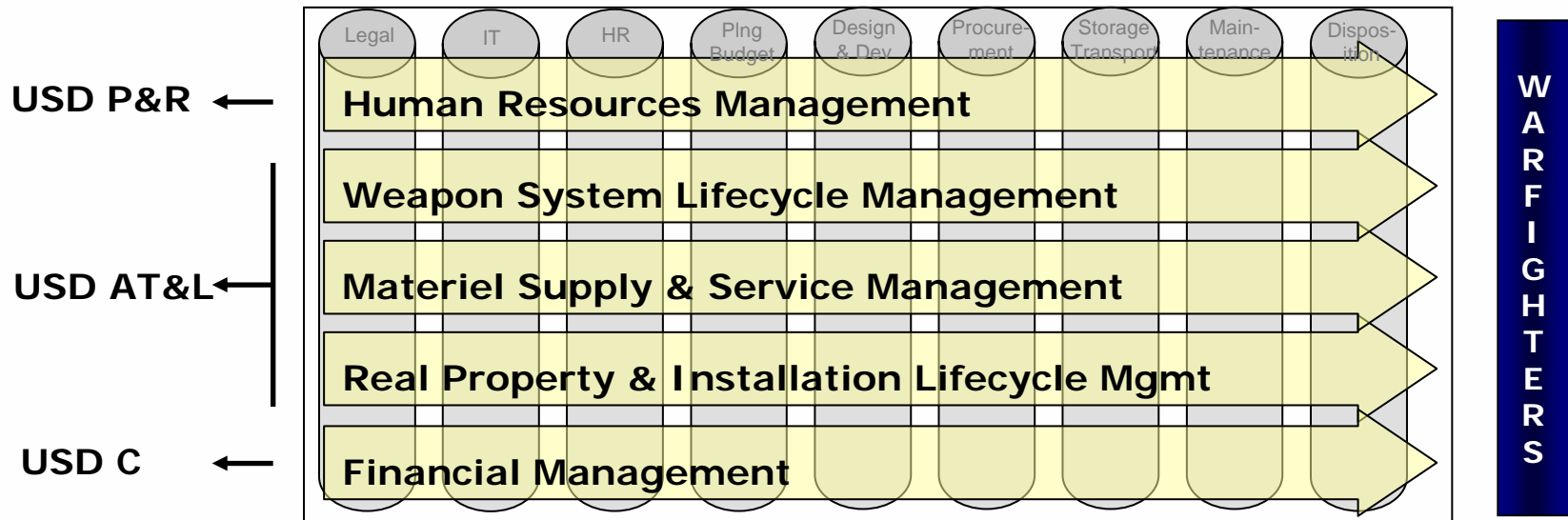
The DoD Business Enterprise

BMMP

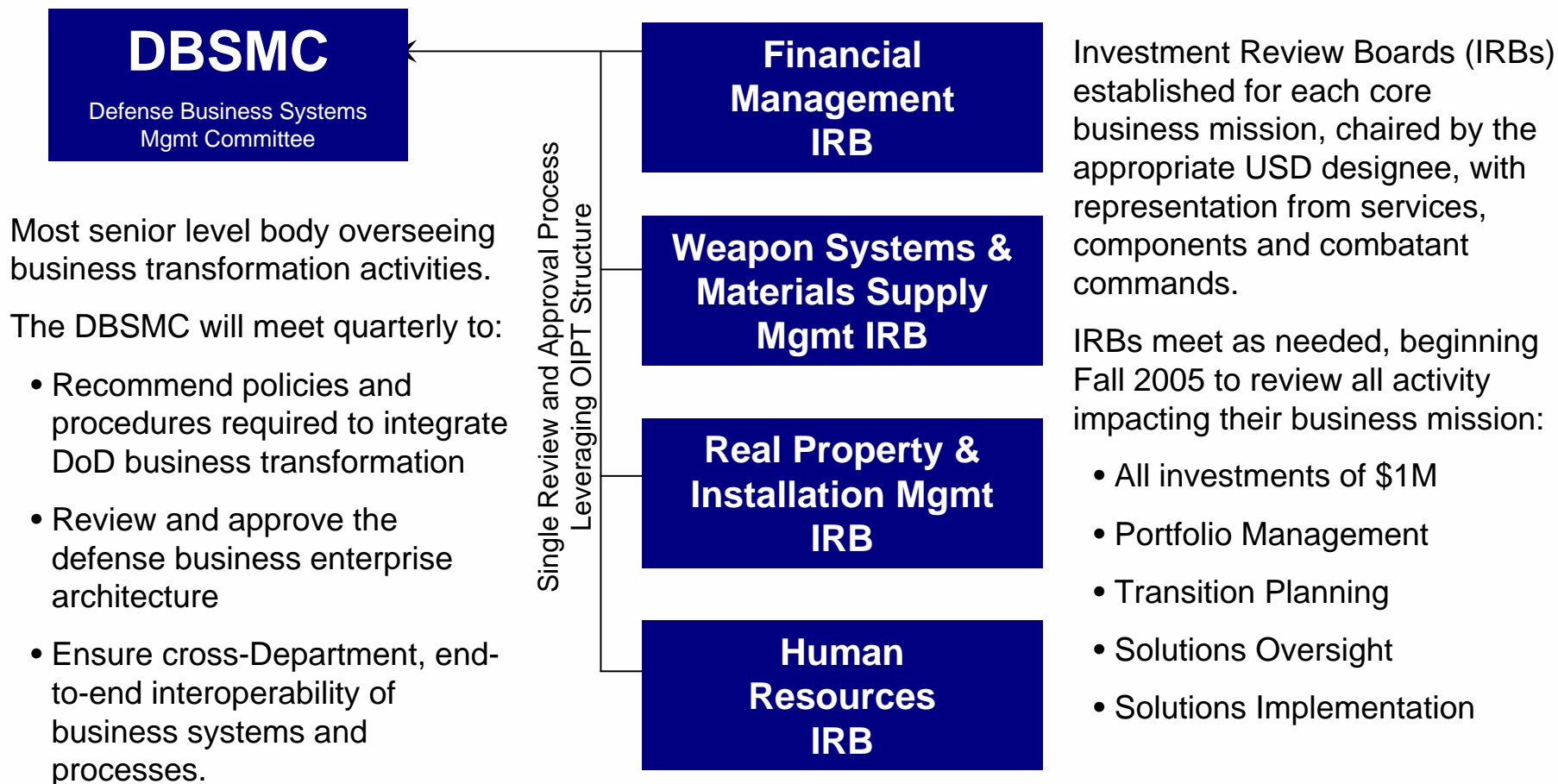| DOD Business Enterprise	Common Capabilities, Data Standards, Rules and Enterprise-wide Systems					
	⇕ ⇕ **Required Integration** ⇕ ⇕					
	ARMY	**NAVY/MC**	**Air Force**	**DLA**	**TRANSCOM**	**O t h e r s**
Component Business Enterprises	Army Enterprise Architecture	Navy/MC Enterprise Architecture	Air Force Enterprise Architecture	DLA Enterprise Architecture	US TransCom Enterprise Architecture	
	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	Alignment to DOD Enterprise	
	Portfolio Mgt	Portfolio Mgt	Portfolio Mgt	Portfolio Mgt	Portfolio Mgt	
	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	AT&L, Fin, P&R, NII	

BMMP is now focused on defining & implementing the DOD Business Enterprise, and facilitating instead of hindering service transformation efforts.

Business Mission Alignment

BMMP

Diagram columns (top): Legal, IT, HR, Plng Budget, Design & Dev, Procurement, Storage Transport, Maintenance, Disposition

- USD P&R → **Human Resources Management**
- USD AT&L → **Weapon System Lifecycle Management**
- **Materiel Supply & Service Management**
- **Real Property & Installation Lifecycle Mgmt**
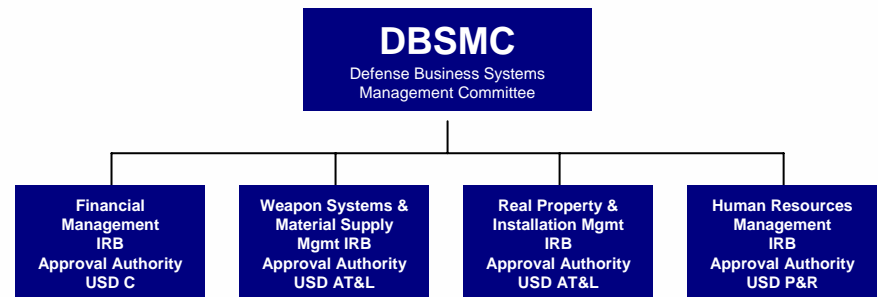- USD C → **Financial Management**

WARFIGHTERS

- Five core business missions defined crossing all functional silos. Priority will be placed on delivering end-to-end business mission capability/functionality.

- Each business mission area will be led by the appropriate USD, and will ensure senior warfighter perspective/leadership in development of transformation priorities.

- Business mission owners will ensure alignment of transformation investments to the improvement of end-to-end mission capability for warfighters.
  These owners may delegate this authority to appropriate leaders as needed.

![BMMP logo]

New Governance Structure

DBSMC

Defense Business Systems
Mgmt Committee

Most senior level body overseeing business transformation activities.

The DBSMC will meet quarterly to:

- Recommend policies and procedures required to integrate DoD business transformation

- Review and approve the defense business enterprise architecture

- Ensure cross-Department, end-to-end interoperability of business systems and processes.

Single Review and Approval Process
Leveraging OIPT Structure

Financial Management IRB

Weapon Systems & Materials Supply Mgmt IRB

Real Property & Installation Mgmt IRB

Human Resources IRB

Investment Review Boards (IRBs) established for each core business mission, chaired by the appropriate USD designee, with representation from services, components and combatant commands.

IRBs meet as needed, beginning Fall 2005 to review all activity impacting their business mission:

- All investments of $1M

- Portfolio Management

- Transition Planning

- Solutions Oversight

- Solutions Implementation

New Governance Structure

- Defense Business Systems Management Committee
  - Chairman – DEPSECDEF
  - Vice Chairman – AT&L
  - Members: Approval Authorities, NII, Secretaries of Military Departments, Heads of Defense Agencies, plus additional personnel assigned by SECDEF
- OSD Certification Authorities (CAs) for each Core Business Mission
  - USD(P&R) – Human Resources Management
  - USD(AT&L) – Weapon System Lifecycle Management
  - USD(AT&L) – Material Supply and Service Management
  - USD(AT&L) – Real Property and Installation Lifecycle Management
  - USD(C) – Financial Management
- Investment Review Boards (IRBs)
  - Chaired by CA designees
  - Members include:
    - OSD staff and Defense Agencies
    - COCOMs, Military Services

DBSMC
Defense Business Systems
Management Committee

| Financial Management IRB Approval Authority USD C | Weapon Systems & Material Supply Mgmt IRB Approval Authority USD AT&L | Real Property & Installation Mgmt IRB Approval Authority USD AT&L | Human Resources Management IRB Approval Authority USD P&R |

IRB Certification Process
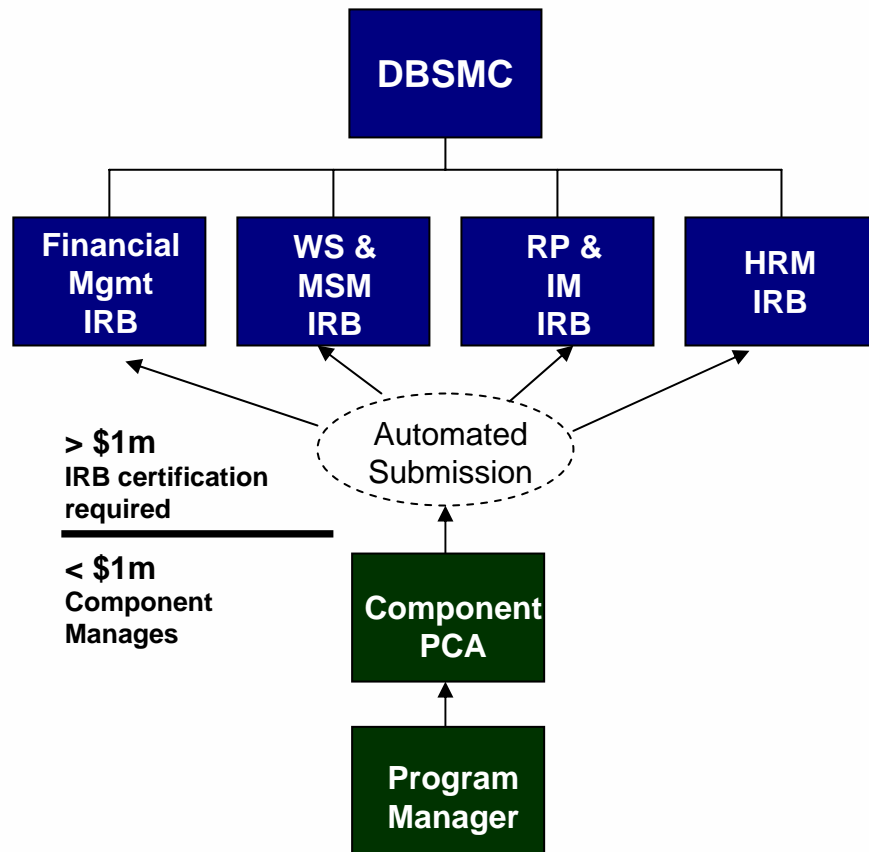
- Investment Review Boards focus on business mission impacts of investments – impacts that support warfighting mission and improve financial accountability.

- Component organizations pre-assert compliance to all other criteria – including net-centric, DOD BEA requirements.

- Single, streamlined certification process replaces seven unique processes in place under prior structure.
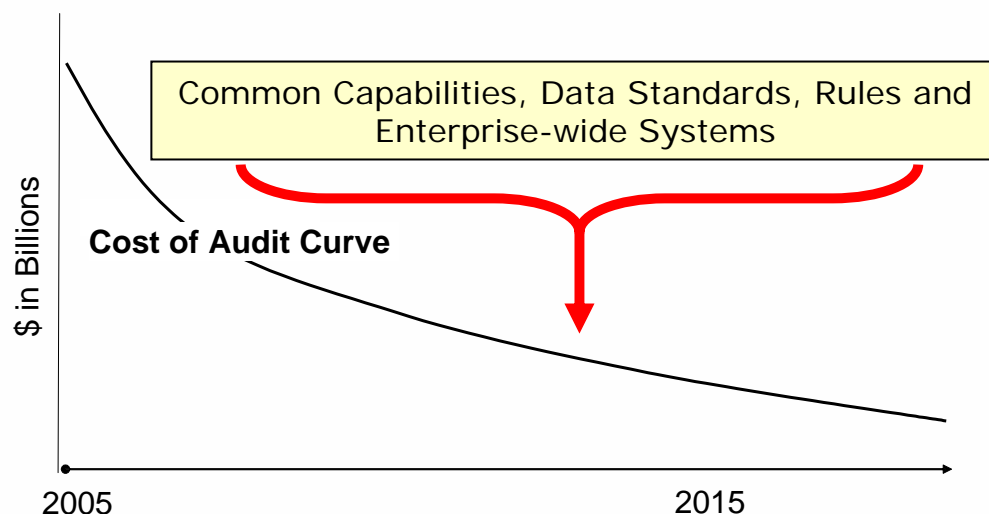
IRB Certification Process

	Component (PCA)	IRB/CA/PSA	DBSMC*	Days for OSD to process
Tier 1 ACAT 1AM and 1D	• Participates in acquisition management process	Leverages DAS and JCIDS process • IRB members participate in pre-milestone and milestone reviews • CA certifies	Approves	Varies by program
Tier 2 $10M to less than MAIS or AA Interest or Enterprise System	• Reviews and <u>Pre-certifies</u>	IRB recommends to the CA(PSA) who certifies compliancy based on: • Component pre-certification • Analysis of the business case • Impacts to enterprise systems	Approves	4-6 weeks
Tier 3 Greater than $1M and less than $10M	• Reviews and <u>Pre-certifies</u>	IRB recommends to the CA(PSA) who certifies compliancy based on: • Component pre-certification • Review of the business case	Approves	2-3 weeks

BMMP and the Audit

Critical audit supporting products developed since 2001:

- Standard financial structure (SFIS)—a common financial language
- Standard DoD general ledger—a common financial ledger
- Interim Systems Transition Plan—a detailed roadmap for phasing out of legacy financial systems (delivered in March '05)

Common Capabilities, Data Standards, Rules and Enterprise-wide Systems

$ in Billions

Cost of Audit Curve

2005

2015

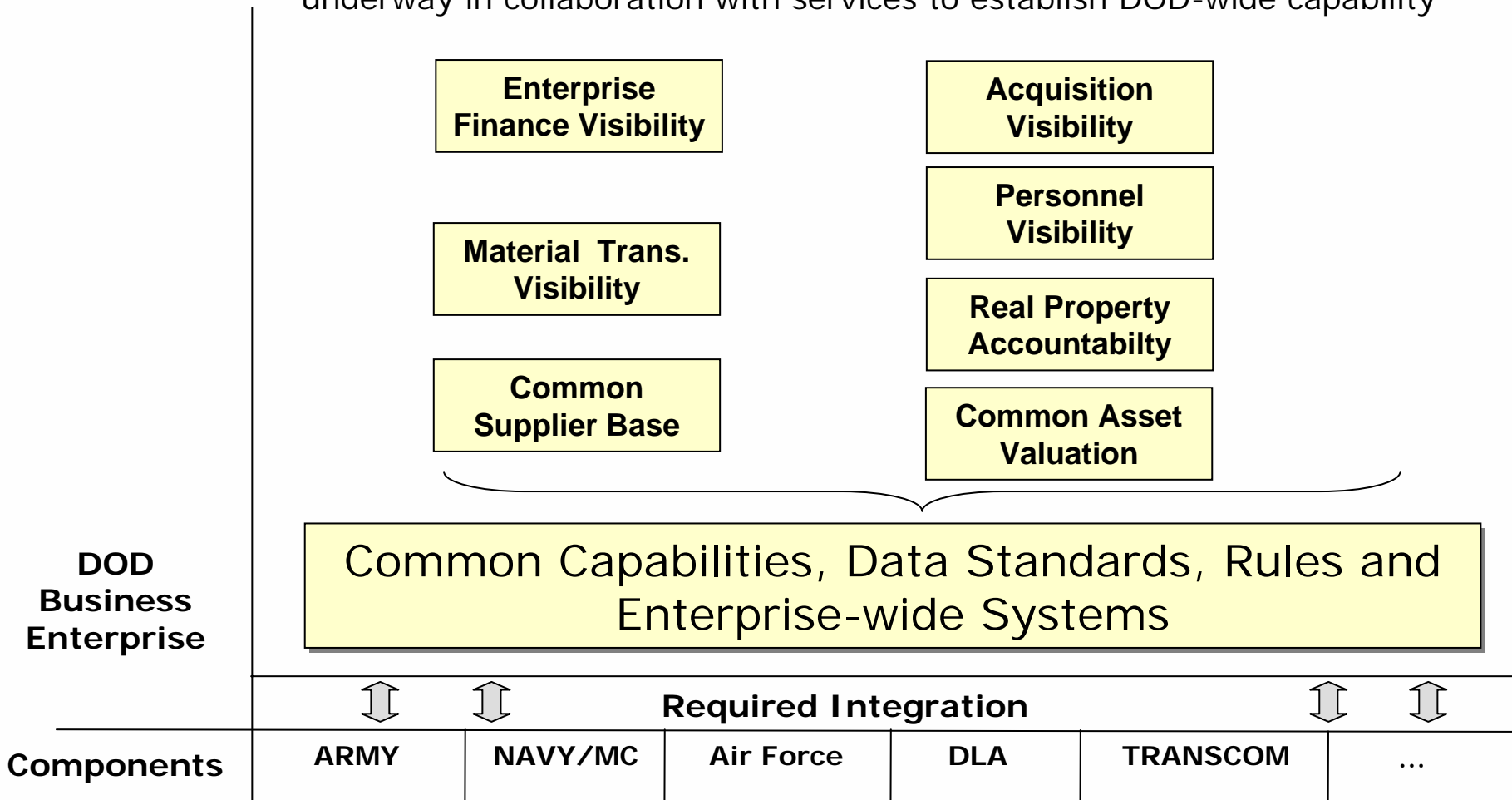**BMMP's priorities are focused on enabling enhanced business operations.**

Clean business processes will drive down the "Cost of Audit" by facilitating clean, traceable transaction-level financial information.

Statutory Requirements

- By statute, on or before September 30, services & agencies must obtain IRB & DBSMC approval of business system modernization investments in excess of $1M.

- Service CIO's are collaborating with OSD to ensure this certification process is in place to support the 9/30 requirement.

- Also by 9/30, a transition plan and revised architecture (BEA 3.0) must be submitted reflecting departmental efforts at systems modernization. The first iteration of the plan (working document) is available for review, and will be refined over the next four months in preparation for submission 9/30.

The DoD Business Enterprise Today

BMMP

The following programs and initiatives grouped by capability represent activity underway in collaboration with services to establish DOD-wide capability

Enterprise Finance Visibility		Acquisition Visibility
		Personnel Visibility
Material Trans. Visibility		Real Property Accountabilty
Common Supplier Base		Common Asset Valuation

DOD Business Enterprise

Common Capabilities, Data Standards, Rules and Enterprise-wide Systems

Required Integration

Components	ARMY	NAVY/MC	Air Force	DLA	TRANSCOM	...

By September 30, our goal is to unify, accelerate, and clearly articulate program benefits to business missions.

DoD BEA v3.0 Goals

- Support the delivery of Iteration 1 Business Enterprise Priorities (BEP) by providing an architecture that:
  - Provides DoD investment management criteria for systems certification
  - Describes DoD enterprise Core Business Mission end-to-end business processes
  - Establishes foundational data standards and rules at the Core Business Mission level (associated with Iteration 1 BEP)
  - Establishes standards for interoperable IT systems
  - Provides the foundation to accelerate architecture development and implementation through a federated development strategy

BEA v3.0 Ground Rules

- **Quality** is goal #1- sacrifice breadth and depth before quality

- **Focus** on Iteration 1 business enterprise priorities

- Create **useful products** via a **collective effort, that drive transformation –** *architecture is a tool, not a product.*

Teamwork Discussion